Supreme Court, U.S.
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No. 98-731

In the Supreme Court of the United States

OCTOBER TERM, 1998

REGENTS OF UNIVERSITY OF CALIFORNIA, PETITIONER

v.

GENENTECH, INC., AND UNITED STATES OF AMERICA

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF FOR THE UNITED STATES

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QUESTIONS PRESENTED

1. Whether petitioner waived its Eleventh Amendment immunity from this action for declaratory relief.

2. Whether Congress has validly abrogated petitioner's immunity from this lawsuit pursuant to its authority under Section 5 of the Fourteenth Amendment.

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OPINIONS BELOW

The opinion of the court of appeals (Pet. App. 1a-17a) is reported at 143 F.3d 1446. The opinion of the district court (Pet. App. 18a-30a) is reported at 939 F. Supp. 639. An earlier opinion of the court of appeals (Pet. App. 31a-59a) is reported at 998 F.2d 931. An earlier opinion of the district court is reported at 952 F. Supp. 617. Another opinion of the district court (Pet. App. 60a-66a) is unreported.

JURISDICTION

The judgment of the court of appeals was entered on May 4, 1998. A petition for rehearing was denied on August 5, 1998. Pet. App. 67a-68a. The petition for a writ of certiorari was filed on November 3, 1998. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1).

STATEMENT

1. This case concerns a patent owned by petitioner, U.S. Patent No. 4,363,877, which arose out of research relating to the production of human growth hormone by means of recombinant DNA technology. *In re Recombinant DNA Tech. Patent & Contract Litig.*, 874 F. Supp. 904, 907 (S.D. Ind. 1994); *Genentech, Inc.* v. *Regents of the Univ. of Cal.*, 952 F. Supp. 617, 618 (S.D. Ind. 1996). The patent application was filed on April 12, 1978, and the patent was issued on December 14, 1982. 874 F. Supp. at 907, 908. In September 1978, petitioner and Eli Lilly and Company (Eli Lilly) entered into an option agreement, which provided Eli Lilly with the exclusive right to obtain a license to certain patents that might eventually issue from petitioner's research relating to human growth hormone, including the research that resulted in the patent at issue here. 952 F. Supp. at 618-619. After obtaining the approval of the federal government, which had provided funding for the research that led to petitioner's patent, petitioner entered into an exclusive licensing agreement with Eli Lilly in March 1989. 874 F. Supp. at 907-908; 952 F. Supp. at 619.

On August 6, 1990, respondent Genentech, Inc. (Genentech) commenced this lawsuit against petitioner and Eli Lilly in the United States District Court for the Southern District of Indiana. The gravamen of the suit

was that petitioner had accused Genentech of infringing petitioner's patent and had threatened to file suit against Genentech. Pet. App. 27a, 69a. The complaint requested a declaratory judgment that petitioner's patent is invalid and unenforceable, and that the patent was not infringed by Genentech. *Id.* at 19a-20a; 952 F. Supp. at 619. The day after Genentech's suit was filed, petitioner filed an action in the Northern District of California, alleging that Genentech had infringed the patent. Pet. App. 20a. The Judicial Panel on Multidistrict Litigation later transferred petitioner's lawsuit to the Southern District of Indiana for pretrial proceedings with five other related cases. See *id.* at 19a.

2. On February 4, 1991, the district court granted petitioner's motion to dismiss Genentech's declaratory judgment action on Eleventh Amendment and other grounds. Pet. App. 60a-66a. The court of appeals reversed. *Genentech, Inc.* v. *Eli Lilly & Co.*, 998 F.2d 931, 941-944 (Fed. Cir. 1993), cert. denied, 510 U.S. 1140 (1994) (Pet. App. 31a-59a). The court held, *inter alia*, that the Patent Act, 35 U.S.C. 1 *et seq.*, as amended by the Patent and Plant Variety Protection Remedy Clarification Act, Pub. L. No. 102-560, 106 Stat. 4230, expressly abrogated petitioner's Eleventh Amendment immunity from suit in federal court. 998 F.2d at 941-944 (Pet. App. 42a-50a).

After this Court issued its decision in *Seminole Tribe* v. *Florida*, 517 U.S. 44 (1996), petitioner again moved to dismiss the lawsuit on Eleventh Amendment grounds. The district court granted petitioner's motion to dismiss the case. Pet. App. 18a-30a. Under *Seminole Tribe*, the court held, Congress is foreclosed from abrogating petitioner's sovereign immunity under its Article I powers. *Id.* at 24a. The court also held that Congress lacked authority under Section 5 of the

Fourteenth Amendment to abrogate petitioner's sovereign immunity in this case, since Genentech's declaratory judgment action did not allege a deprivation of any property right. *Id.* at 25a-26a.

Finally, the district court concluded that petitioner had not waived its immunity from suit. Pet. App. 26a-30a. The court explained that petitioner's procurement of a patent, its grant of an exclusive license to Eli Lilly, and its alleged accusations of infringement and threats of suit against Genentech did not constitute an unambiguous expression of consent to this lawsuit. *Id.* at 27a-29a.

3. The court of appeals reversed. Pet. App. 1a-17a. Pursuant to 28 U.S.C. 2403(a), the United States intervened to defend the constitutionality of the relevant Patent Act provisions. Pet. App. 13a n.7. The court held that petitioner had waived its Eleventh Amendment immunity by voluntarily participating in the patent system and by "actively invok[ing] federal judicial power" to protect its patent rights against Genentech's allegedly infringing conduct. *Id.* at 11a. The court did not reach the abrogation issues addressed by the district court. See *id.* at 4a, 10a.

DISCUSSION

On January 8, 1999, this Court granted petitions for certiorari in No. 98-149, *College Savings Bank* v. *Florida Prepaid Postsecondary Education Expense Board*, and No. 98-531, *Florida Prepaid Postsecondary Education Expense Board* v. *College Savings Bank*. The Court's decisions in those cases may bear on the proper resolution of the waiver and abrogation questions presented by the petition in the instant case. The petition for a writ of certiorari should therefore be held pending this Court's decisions in Nos. 98-149 and

98-531, and disposed of as appropriate in light of those decisions.

1. The practical effect of the court of appeals' decision in this case is likely to be modest. Under the doctrine of *Ex parte Young*, 209 U.S. 123 (1908), the Eleventh Amendment does not preclude private parties from obtaining prospective declaratory relief against individual state officials for ongoing violations of federal law. Unlike the statute at issue in *Seminole Tribe*, the Patent Act expressly authorizes suits against state officers and employees. See 35 U.S.C. 271(h), 296; compare *Seminole Tribe*, 517 U.S. at 73-75. Enforcement of the patent laws does not implicate any "special sovereignty interests" that might render relief under *Ex parte Young* unavailable. Compare *Idaho* v. *Coeur d'Alene Tribe*, 521 U.S. 261, 281 (1997). The Federal Circuit's determination that a declaratory judgment action may also be brought against the State itself is of little practical significance.*

Even in the present case, where Genentech did not name any individual state official as a defendant (see note *, *supra*), the practical significance of the court of appeals' decision is minimal. As noted above, petitioner filed a patent infringement suit against Genentech in the United States District Court for the Northern

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* After the district court initially held (see Pet. App. 60a-66a) that Genentech's suit against petitioner was barred by the Eleventh Amendment, Genentech sought leave to amend its complaint to name the individual Regents of the University of California as defendants. *Id.* at 42a. The district court denied leave to amend the complaint. *Ibid.* The Federal Circuit in Genentech's prior appeal declined to address the propriety of the denial of leave to amend, in light of its holding that Congress had properly abrogated petitioner's Eleventh Amendment immunity. See *ibid.*

District of California, and that pending suit raises essentially the same patent law issues as those presented in this case. See Pet. App. 3a (referring to petitioner's suit as a "mirror-image" of the suit filed by Genentech); see also Pet. 4 & n.1. Thus, the only practical effect of the court of appeals' resolution of the Eleventh Amendment question is to determine which of two federal district courts will adjudicate those patent law issues, not whether the issues will be resolved in federal court at all. And no matter which of the two district courts resolves those issues, exclusive appellate jurisdiction will lie in the Federal Circuit. See 28 U.S.C. 1295(a)(1).

2. On January 8, 1999, this Court granted petitions for certiorari in No. 98-149, *College Savings Bank* v. *Florida Prepaid Postsecondary Education Expense Board*, and No. 98-531, *Florida Prepaid Postsecondary Education Expense Board* v. *College Savings Bank*. No. 98-149 presents the question whether the state defendant in that case waived its Eleventh Amendment immunity from suits for violations of Section 43(a) of the Lanham Act, 15 U.S.C. 1125(a). This Court's decision in No. 98-149 may clarify the legal rules concerning the circumstances under which a State will be deemed to have waived its Eleventh Amendment immunity from suit in federal court.

Petitioner also seeks review (Pet. 18-22) of the question whether Congress has validly abrogated the State's immunity from suit in federal court for violations of the Patent Act. The court of appeals did not address that issue, and this Court ordinarily does not consider issues that are not resolved by the court below. See, *e.g.*, *Patrick* v. *Burget*, 486 U.S. 94, 99 n.5 (1988). However, Nos. 98-149 and 98-531 both present questions concerning the scope of congressional author-

ity to abrogate a State's Eleventh Amendment immunity pursuant to Section 5 of the Fourteenth Amendment. The Court's decisions in those cases may bear on the proper resolution of the abrogation question in this case.

CONCLUSION

The petition for a writ of certiorari should be held pending this Court's decisions in No. 98-149, *College Savings Bank* v. *Florida Prepaid Postsecondary Education Expense Board*, and No. 98-531, *Florida Prepaid Postsecondary Education Expense Board* v. *College Savings Bank*, and disposed of as appropriate in light of those decisions.

Respectfully submitted.

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